Manitoba

Annual Report 1988 - 89

Milk Prices Review Commission

91-01317/

Minister of
Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour,
George Johnson,
Lieutenant Governor for
the Province of Manitoba

Your Honour:

I have the honour to present herewith the Annual Report of The Manitoba Milk Prices Review Commission for the year ended March 31, 1989.

Yours respectfully,

Glen Findlay

Glen M. Findlay
Minister

Manitoba

MANITOBA MILK PRICES REVIEW COMMISSION
903 - 401 YORK AVENUE
WINNIPEG, MANITOBA
R3C 0P8

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The Honourable G. Findlay
Minister of Agriculture
Province of Manitoba
R3C 0V8

Dear Sir:

Pursuant to the requirements of Section 7, subsection (1) of The Milk Prices Review Act it is my pleasure to present to you the Annual Report of the Manitoba Milk Prices Review Commission for the year ended March 31, 1989.

Respectfully submitted,

Omer Van Walleghem,
Vice-Chairman

OVW/hcb

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MEMBERS OF THE

MANITOBA MILK PRICES REVIEW COMMISSION

as at March 31, 1989

Dr. Daryl Kraft	Chairman, Winnipeg
Mr. Omer Van Walleghem	Vice-Chairman, Winnipeg
Ms. Lee Anderson	Member, Winnipeg
Mr. William Cole	Member, Ninette
Mr. John Vis	Member, Oak Bluff

The above-noted Members were appointed to the Commission effective August 17, 1988 by Order-in-Council 984/88. The appointments of the previous Members were revoked in that same Order.

Mr. Adrian Strutinsky . . . Executive Secretary

INTRODUCTION

The Milk Prices Review Act assented to by the Legislative Assembly of Manitoba on July 29, 1980, governs the activities of the Commission. Responsibilities originally assigned to the Commission under the Act included the development and maintenance of a producer cost of production formula as the basis for fixing prices at all levels in the fluid milk industry and the authority to establish the maximum and/or minimum prices for milk sold to consumers as deemed necessary.

Considerable effort in 1987/88 was associated with the statute amendment process, initiated in 1986/87, which culminated in the proclamation of amendments to The Milk Prices Review Act on February 1, 1988. The amendment package, reported on in detail the 1987/88 Annual Report, included expansion of the Commission's mandate to include wholesale price control. Previously, wholesale prices had been controlled by the Manitoba Fluid Milk Commission operating under The Manitoba Natural Products Marketing Act.

The Commission in 1988/89 maintained extensive contact with the Manitoba Milk Producers' Marketing Board, Manitoba milk processors and independent distributors, the Manitoba Dairy Association, Manitoba retailers, the Canadian Federation of Independent Grocers and the Consumers' Association of Canada, Manitoba Branch. Contacts were established and maintained with

similar authorities and agencies in other jurisdictions. Future contact with these and other industry representatives are viewed as vital by the Commission.

PRODUCER MATTERS

1. PRODUCER PRICE CHANGE

The Commission continued to monitor the results of its cost of production formula on a monthly basis. As a result, dairy producers, under pressure from the 1988 drought experienced in Manitoba, received two fluid milk price increases during 1988/89.

On August 15, 1988, Manitoba Regulation 279/88 increased the producer price for fluid milk $2.21/Hl to $54.11/Hl from $51.90/Hl, which had been the price in effect since January 5, 1987. Increasing feed grain prices were primarily responsible for the increase.

A second increase followed on December 5, 1988 as hay and feed grain prices continued to escalate rapidly during the last half of 1988. Manitoba Regulation 510/88 increased the producer price another $3.20/Hl to $57.31/Hl. Thus the combined increase in the producer price during 1988, due primarily to the drought, was $5.41/Hl which represented a 10.4 per cent increase over the price in effect at the beginning of the year.

The fluid milk butterfat differential of $.52 per 0.1 kg of butterfat above/below the provincial standard of 3.6 kg of butterfat per hectolitre of raw milk remained unchanged during 1988/89.

2. PRODUCER COST OF PRODUCTION

During 1988/89 the Commission maintained an ongoing dialogue with the Manitoba Milk Producers' Marketing Board to insure Manitoba dairy producers would continue to receive fair and equitable compensation for all legitimate costs incurred in the production of fluid milk.

In response to a request from the Board late in 1987/88 to include the cost of butterfat (component) testing in the Commission's cost of production formula, the Commission, after a thorough review of all aspects of the issue, decided in May, 1988 to include in the formula a factor of $.07/Hl as compensation for this cost factor.

Similarly, in January, 1989, the Commission agreed in principle to a request from the Board to include in the formula promotion (market expansion) costs incurred by producers. However, inclusion of this cost item and the exact amount of compensation was deferred by the Commission until such time as a thorough review of the entire formula, tentatively scheduled for mid-1989, could be completed. The Commission did, however, guarantee that

compensation for this cost item within the formula would be forthcoming by October, 1989.

In addition, talks with the Board continued during 1988/89 concerning the possibility of using Board-generated cost data (from their ongoing on-farm cost study) in the Commission's opportunity cost formula.

PROCESSOR, JOBBER AND RETAILER MATTERS

1. PRICE AND MARGIN REVIEW

Responding to requests from processors late in 1987/88 for a price and margin review, the Commission launched a two stage review process. In the first stage, a preliminary financial analysis of 1987 processor operations would determine whether or not a full-scale price and margin review should be conducted. The full-scale second stage review was then contingent upon the first stage findings.

The Commission, with the assistance of its Accountant, completed the first stage of the review in May, 1988. As it was determined that processor net income positions had deteriorated during 1987, the Commission decided to proceed with the second stage of the review process.

Industry meetings were held June 27-29, 1988 as the Commission heard representation from all processors which included final 1987 financial data and additional pertinent information. As well, jobbers, retailers, their associations and all other interested parties were invited to participate in the review.

In addition to examining current processor, jobber and retailer prices and margins, the Commission gathered industry opinion on the controversial minimum retail price issue. A separate report was prepared for the Minister of Agriculture which summarized the industry's opinion on the issue, including positions advanced both for and against the maintenance of this aspect of the price control system.

2. WHOLESALE AND RETAIL PRICE CHANGES

After the industry price and margin review meetings concluded, the Commission set about to consider all the information so provided. At the same time and as previously discussed in this report, it was becoming evident to the Commission that Manitoba dairy producers were coming under considerable pressure due to the 1988 drought. For the sake of industry price stability, the Commission, decided that in addition to the much-needed increase in the producer price, an interim adjustment would be made at the same time to those sectors of the industry beyond the farm gate.

In addition to the producer price increases previously described, Manitoba Regulation 280/88 increased wholesale prices 4 cents per litre on August 15, 1988. With 2.2 cents of that increase due to the increased producer price, Manitoba processors saw their margins increase 1.8 cents per litre. Jobber prices were adjusted so that processors employing this type of distribution, in effect, shared their increased margins with their jobbers. Manitoba Regulation 281/88, also effective August 15, 1988, passed on the increase in wholesale prices to the minimum retail level. Maximum retail prices were increased 5 cents per litre so that smaller retailers saw their margins increase 1 cent per litre.

Later in the year, after the newly-appointed Commission had the opportunity to acquaint itself with the industry and the decisions made by the former Commission especially during 1988, a final adjustment was made to both wholesale and retail prices, based on the 1987 financial experience. Again coinciding with an increase in the producer price (also previously described in this report), Manitoba Regulations 511/88 and 512/88 increased wholesale and retail prices by 4 cents per litre on December 5, 1988. Because 3.2 cents of the increase was due to the second producer price increase within a four month period, processor margins were increased another 0.8 cents per litre. Retailer margins were not adjusted.

3. FUTURE ACTIVITIES

Toward the end of the fiscal year, the Commission decided that a more systematic approach to future wholesale and retail price determination should be adopted. It was further decided that provision within the new policy should be made so that future price adjustments could be made without industry representations, submissions, etc. being required on each and every occasion.

In addition to more systematic price determination within the control system, it was deemed in the best interests of the industry, including consumers, to develop a pricing policy which would be more flexible and allow more price decision making to be made by the industry. The new policy should also maintain more of the elements of competition in the marketplace. At the same time, it was recognized that stability in the industry was desirable but without guaranteeing excessive profit at any level.

The new pricing policy was developed and two discussion papers were prepared for distribution within the industry - the first paper described a Cost of Processing/Retailing model which had been developed to provide the more systematic approach to control price determination, the second paper outlined proposed changes to the structure of the control system.

In March, 1989, both discussion papers were distributed to all sectors of the industry for consideration, comment and discussion

with the Commission before implementation. Industry meetings to discuss the new proposed policy were scheduled for early in 1989/90. It was anticipated that implementation of the new policy would be forthcoming shortly thereafter.

INTERNAL MATTERS

The Manitoba Milk Prices Review Commission met sixteen times during the reporting year in the course of performing its duties.

The Commission's daily activities were performed by Adrian W. Strutinsky, serving as Executive Secretary and Jessie R. Mamaril as Secretary-Bookkeeper. The Commission's staff are provided by the Economics Branch, Manitoba Agriculture.

The Commission retained Ms. Dianne Flood, Justice Division of the Provincial Attorney General's Department as legal counsel. The firm of Coopers and Lybrand continued to be retained as financial analysts. The audit of Commission finances was performed by the Provincial Auditor's Office.

Manitoba

Office of the Provincial Auditor

THE MANITOBA MILK PRICES REVIEW COMMISSION

Auditor's Report and Financial Statements
for the year ended March 31, 1989

Manitoba

THE MANITOBA MILK PRICES REVIEW COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Milk Prices Review Commission for the fiscal year ended March 31, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

July 27, 1989,
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1989
(with 1988 figures for comparison)

	1989	1988
ASSETS		
Current Assets:		
Cash	$ 67	$ 5,291
	$ 67	$ 5,291
LIABILITIES AND UNEXPENDED FUNDS		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 2,935	$ 5,023
Unexpended funds (deficit), Exhibit B	(2,868)	268
	$ 67	$ 5,291

THE MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Revenue and Expenditure and Unexpended Funds
for the year ended March 31, 1989
(with 1988 figures for comparison)

	1989	1988
Revenue:		
Grant from the Government of the Province of Manitoba	$ 26,869	$ 12,482
Interest	69	334
	26,938	12,816
Expenditure:		
Annual report	608	587
Commission - per diem and benefits	6,089	2,704
- travel	7,597	5,290
Office and postage	4,122	5,123
Professional fees	9,417	9,072
Sundry	1,581	2,414
Telephone	660	658
	30,074	25,848
Revenue (under) expenditure	(3,136)	(13,032)
Unexpended funds, beginning of the year	268	13,300
Unexpended funds (deficit), end of the year, Exhibit A	$ (2,868)	$ 268

THE MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements
for the year ended March 31, 1989

1. Nature of the Commission

The Manitoba Milk Prices Review Commission was established under the Manitoba Prices Review Act effective September 29, 1980. The Commission's mandate is to monitor prices of fluid milk, to set the price at which milk may be sold by a producer and if necessary, to set maximum and/or minimum prices at which fluid milk may be sold by a distributor, processor or retailer.

2. Accounting Policies

a) The Commission uses the accrual basis of accounting except for office equipment purchases which are charged to operations in the year of acquisition.

b) The financial statements do not reflect services provided by the Government of the Province of Manitoba as described in Note 3.

3. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides staffing and office accommodations to the Commission at no charge. The estimated cost of these services is $79,000 (1988 - $68,000). In addition the Province used budgeted funds to pay administrative costs totalling $3,845 (1988 - $1,768) on behalf of the Commission.

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Milk Cost of Production Order, amendment

Regulation 279/88
Filed August 5, 1988

Manitoba Regulation 26/84 amended
1 The Milk Cost of Production Order, Manitoba Regulation 26/84, is amended in the manner set out in this regulation.

Schedule 1 repealed and substituted
2 Schedule 1 of the order is repealed and the Schedule set out as Schedule A to this Order is substituted.

Coming into force
3 This order comes into force on August 15, 1988.

July 28, 1988

THE MANITOBA MILK PRICES REVIEW COMMISSION:

Paul Phillips
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE I

Formula 06/88

June 1988, costs per hectolitre

Operating Expenses	$ 7.42
Feed and Bedding	15.13
Direct Labour	11.31
Management Fee	4.53
Relief Milker Allowance	.56
Herd Replacement	2.59
Depreciation	4.01
Return on Assets	5.15
	$50.69

Step 1 - cost of production formula results
$50.69

Step 2 - add transportation and other marketing costs
$50.69 + $2.40 = $53.09

Step 3 - add buffer (or 10% sleeve) adjustment
$53.09 + $ .58 = $53.67

Step 4 - add differential for northern cost of production
$53.67 + $ .07 = $53.74

Step 5 - add fluid levy
$53.74 + $ .30 = $54.04

Step 6 - add component testing costs
$54.04 + $ .07 = $54.11

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Wholesale Milk Prices Order, amendment

Regulation 280/88
Filed August 5, 1988

Manitoba Regulation 43/88 amended
1 The Wholesale Milk Prices Order, Manitoba Regulation 43/88 is amended in the manner set out in this order.

Schedules A and B repealed and substituted
2 Schedules A and B of the order are repealed and the Schedules set out in Schedules A and B to this order are substituted.

Coming into force
3 This order comes into force on August 15, 1988.

July 28, 1988

THE MANITOBA MILK PRICES REVIEW COMMISSION:

Paul Phillips
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Subsection 4(1))

WHOLESALE PRICES FOR SALES TO PURCHASERS OTHER THAN JOBBERS AND CONSUMERS
($ PER CONTAINER)

1 Where total purchases of Class 1 milk in the preceding month are 1600 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.51	.89	1.76	3.46	17.95
2% milk	.30	.49	.86	1.70	3.34	17.35
Skim milk	.28	.46	.80	1.58	3.10	16.15
Chocolate milk 2%	.33	.56	1.00	1.98	3.90	20.15

2 Where total purchases of Class 1 milk in the preceding month exceed 1600 litres and are 3200 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.50	.88	1.74	3.42	17.75
2% milk	.29	.49	.85	1.68	3.30	17.15
Skim milk	.28	.46	.79	1.56	3.06	15.95
Chocolate milk 2%	.33	.56	.99	1.96	3.86	19.95

3 Where total purchases of Class 1 milk in the preceding month exceed 3200 litres and are 4800 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.50	.87	1.72	3.38	17.55
2% milk	.29	.48	.84	1.66	3.26	16.95
Skim milk	.28	.45	.78	1.54	3.02	15.75
Chocolate milk 2%	.33	.55	.98	1.94	3.82	19.75

4 Where total purchases of Class 1 milk in the preceding month exceed 4800 litres and are 6400 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.49	.86	1.70	3.34	17.35
2% milk	.29	.48	.83	1.64	3.22	16.75
Skim milk	.27	.45	.77	1.52	2.98	15.55
Chocolate milk 2%	.32	.55	.97	1.92	3.78	19.55

5 Where total purchases of Class 1 milk in the preceding month exceed 6400 litres and are 8000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.49	.85	1.68	3.30	17.15
2% milk	.29	.47	.82	1.62	3.18	16.55
Skim milk	.27	.44	.76	1.50	2.94	15.35
Chocolate milk 2%	.32	.54	.96	1.90	3.74	19.35

6 Where total purchases of Class 1 milk in the preceding month exceed 8000 litres and are 12000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.48	.84	1.66	3.26	16.95
2% milk	.28	.47	.81	1.60	3.14	16.35
Skim milk	.27	.44	.75	1.48	2.90	15.15
Chocolate milk 2%	.32	.54	.95	1.88	3.70	19.15

7 Where total purchases of Class 1 milk in the preceding month exceed 12000 litres and are 16000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.48	.83	1.64	3.22	16.75
2% milk	.28	.46	.80	1.58	3.10	16.15
Skim milk	.27	.43	.74	1.46	2.86	14.95
Chocolate milk 2%	.32	.53	.94	1.86	3.66	18.95

8 Where total purchases of Class 1 milk in the preceding month exceed 16000 litres and are 20000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.47	.82	1.62	3.18	16.55
2% milk	.28	.46	.79	1.56	3.06	15.95
Skim milk	.26	.43	.73	1.44	2.82	14.75
Chocolate milk 2%	.31	.53	.93	1.84	3.62	18.75

9 Where total purchases of Class 1 milk in the preceding month exceed 20000 litres and are 28000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.47	.81	1.60	3.14	16.35
2% milk	.28	.45	.78	1.54	3.02	15.75
Skim milk	.26	.42	.72	1.42	2.78	14.55
Chocolate milk 2%	.31	.52	.92	1.82	3.58	18.55

10 Where total purchases of Class 1 milk in the preceding month exceed 28000 litres, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.46	.80	1.58	3.10	16.15
2% milk	.27	.45	.77	1.52	2.98	15.55
Skim milk	.26	.42	.71	1.40	2.74	14.35
Chocolate milk 2%	.31	.52	.91	1.80	3.54	18.35

SCHEDULE B
(Subsection 4(2))

WHOLESALE PRICES FOR SALES TO JOBBERS
($ PER CONTAINER)

The maximum and minimum price for sales to jobbers is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.24	.41	.72	1.42	2.78	14.55
2% milk	.23	.39	.69	1.36	2.66	13.95
Skim milk	.22	.36	.63	1.24	2.42	12.75
Chocolate milk 2%	.27	.46	.83	1.64	3.22	16.75

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Retail Milk Prices Order, amendment

Regulation 281/88
Filed August 5, 1988

Manitoba Regulation 44/88 amended
1 The Retail Milk Prices Order, Manitoba Regulation 44/88, is amended in the manner set out in this order.

Schedule A repealed and substituted
2 Schedule A of the order is repealed and the Schedule set out as Schedule A to this order is substituted.

Coming into force
3 This order comes into force on August 15, 1988.

July 28, 1988

THE MANITOBA MILK PRICES REVIEW COMMISSION:

Paul Phillips
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MINIMUM RETAIL PRICES FOR CLASS I MILK

Container Size	250 ml	500 ml	1L	2L	4L
Homogenized milk	.31	.52	.92	1.82	3.58
2% milk	.30	.51	.89	1.76	3.46
Skim milk	.29	.48	.83	1.64	3.22
Chocolate milk 2%	.34	.58	1.03	2.04	4.02

MAXIMUM RETAIL PRICES FOR CLASS I MILK

Container Size	250 ml	500 ml	1L	2L	4L
Homogenized milk	.33	.56	.99	1.96	3.86
2% milk	.32	.54	.96	1.90	3.74
Skim milk	.31	.51	.90	1.78	3.50
Chocolate milk 2%	.36	.61	1.10	2.18	4.30

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Milk Cost of Production Order, amendment

Regulation 510/88
Filed November 28, 1988

Manitoba Regulation 26/84 amended
1 The Milk Cost of Production Order, Manitoba Regulation 26/84, is amended by this regulation.

Schedule 1 repealed and substituted
2 Schedule 1 is repealed and the Schedule set out as Schedule A to this order is substituted.

Coming into force
3 This order comes into force on December 5, 1988.

November 25, 1988

THE MANITOBA MILK PRICES REVIEW COMMISSION:

Daryl F. Kraft
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE I

Formula 09/88

September 1988, costs per hectolitre

Operating Expenses	$ 7.46
Feed and Bedding	17.65
Direct Labour	11.45
Management Fee	4.58
Relief Milker Allowance	.56
Herd Replacement	2.64
Depreciation	4.01
Return on Assets	5.24
	$53.59

Step 1 - cost of production formula results
$53.59

Step 2 - add transportation and other marketing costs
$53.59 + $2.41 = $56.00

Step 3 - add buffer (or 10% sleeve) adjustment
$56.00 + $ .87 = $56.87

Step 4 - add differential for northern cost of production
$56.87 + $ .07 = $56.94

Step 5 - add fluid levy
$56.94 + $ .30 = $57.24

Step 6 - add component testing costs
$57.24 + $ .07 = $57.31

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Wholesale Milk Prices Order, amendment

Regulation 511/88
Filed November 28, 1988

Manitoba Regulation 43/88 amended
1 The Wholesale Milk Prices Order, Manitoba Regulation 43/88, is amended by this order.

Schedules A and B repealed and substituted
2 Schedules A and B are repealed and the Schedules set out in Schedules A and B to this order are substituted.

Coming into force
3 This order comes into force on December 5, 1988.

November 25, 1988

THE MANITOBA MILK PRICES REVIEW COMMISSION:

Daryl F. Kraft
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Subsection 4(1))

WHOLESALE PRICES FOR SALES TO PURCHASERS OTHER THAN JOBBERS AND CONSUMERS
($ PER CONTAINER)

1 Where total purchases of Class 1 milk in the preceding month are 1600 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.31	.53	.93	1.84	3.62	18.75
2% milk	.31	.51	.90	1.78	3.50	18.15
Skim milk	.29	.48	.84	1.66	3.26	16.95
Chocolate milk 2%	.34	.58	1.04	2.06	4.06	20.95

2 Where total purchases of Class 1 milk in the preceding month exceed 1600 litres and are 3200 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.31	.52	.92	1.82	3.58	18.55
2% milk	.30	.51	.89	1.76	3.46	17.95
Skim milk	.29	.48	.83	1.64	3.22	16.75
Chocolate milk 2%	.34	.58	1.03	2.04	4.02	20.75

3 Where total purchases of Class 1 milk in the preceding month exceed 3200 litres and are 4800 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.31	.52	.91	1.80	3.54	18.35
2% milk	.30	.50	.88	1.74	3.42	17.75
Skim milk	.29	.47	.82	1.62	3.18	16.55
Chocolate milk 2%	.34	.57	1.02	2.02	3.98	20.55

4 Where total purchases of Class 1 milk in the preceding month exceed 4800 litres and are 6400 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.31	.51	.90	1.78	3.50	18.15
2% milk	.30	.50	.87	1.72	3.38	17.55
Skim milk	.28	.47	.81	1.60	3.14	16.35
Chocolate milk 2%	.33	.57	1.01	2.00	3.94	20.35

5 Where total purchases of Class 1 milk in the preceding month exceed 6400 litres and are 8000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.51	.89	1.76	3.46	17.95
2% milk	.30	.49	.86	1.70	3.34	17.35
Skim milk	.28	.46	.80	1.58	3.10	16.15
Chocolate milk 2%	.33	.56	1.00	1.98	3.90	20.15

6 Where total purchases of Class 1 milk in the preceding month exceed 8000 litres and are 12000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.50	.88	1.74	3.42	17.75
2% milk	.29	.49	.85	1.68	3.30	17.15
Skim milk	.28	.46	.79	1.56	3.06	15.95
Chocolate milk 2%	.33	.56	.99	1.96	3.86	19.95

7 Where total purchases of Class 1 milk in the preceding month exceed 12000 litres and are 16000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.50	.87	1.72	3.38	17.55
2% milk	.29	.48	.84	1.66	3.26	16.95
Skim milk	.28	.45	.78	1.54	3.02	15.75
Chocolate milk 2%	.33	.55	.98	1.94	3.82	19.75

8 Where total purchases of Class 1 milk in the preceding month exceed 16000 litres and are 20000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.49	.86	1.70	3.34	17.35
2% milk	.29	.48	.83	1.64	3.22	16.75
Skim milk	.27	.45	.77	1.52	2.98	15.55
Chocolate milk 2%	.32	.55	.97	1.92	3.78	19.55

9 Where total purchases of Class 1 milk in the preceding month exceed 20000 litres and are 28000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.49	.85	1.68	3.30	17.15
2% milk	.29	.47	.82	1.62	3.18	16.55
Skim milk	.27	.44	.76	1.50	2.94	15.35
Chocolate milk 2%	.32	.54	.96	1.90	3.74	19.35

10 Where total purchases of Class 1 milk in the preceding month exceed 28000 litres, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.48	.84	1.66	3.26	16.95
2% milk	.28	.47	.81	1.60	3.14	16.35
Skim milk	.27	.44	.75	1.48	2.90	15.15
Chocolate milk 2%	.32	.54	.95	1.88	3.70	19.15

SCHEDULE B
(Subsection 4(2))

WHOLESALE PRICES FOR SALES TO JOBBERS
($ PER CONTAINER)

The maximum and minimum price for sales to jobbers is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.25	.43	.76	1.50	2.94	15.35
2% milk	.24	.41	.73	1.44	2.82	14.75
Skim milk	.23	.38	.67	1.32	2.58	13.55
Chocolate milk 2%	.28	.48	.87	1.72	3.38	17.55

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Retail Milk Prices Order, amendment

Regulation 512/88
Filed November 28, 1988

Manitoba Regulation 44/88 amended
1 The Retail Milk Prices Order, Manitoba Regulation 44/88, is amended by this order.

Schedule A repealed and substituted
2 Schedule A is repealed and the Schedule set out as Schedule A to this order is substituted.

Coming into force
3 This order comes into force on December 5, 1988.

November 25, 1988

THE MANITOBA MILK PRICES REVIEW COMMISSION:

Daryl F. Kraft
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MINIMUM RETAIL PRICES FOR CLASS I MILK

Container Size	250 ml	500 ml	1L	2L	4L
Homogenized milk	.32	.54	.96	1.90	3.74
2% milk	.31	.53	.93	1.84	3.62
Skim milk	.30	.50	.87	1.72	3.38
Chocolate milk 2%	.35	.60	1.07	2.12	4.18

MAXIMUM RETAIL PRICES FOR CLASS I MILK

Container Size	250 ml	500 ml	1L	2L	4L
Homogenized milk	.34	.58	1.03	2.04	4.02
2% milk	.33	.56	1.00	1.98	3.90
Skim milk	.32	.53	.94	1.86	3.66
Chocolate milk 2%	.37	.63	1.14	2.26	4.46